

Material Event Disclosure – March 1, 2018

City of Riverside 2005 Pension Obligation Bonds, Series A

Pursuant to the requirements of the Continuing Disclosure Certificate for the above referenced issue, notice is hereby given of a material event consistent with Rule 15c2-12 of the Securities and Exchange Commission. The following additional material events have occurred since the last material event disclosure provided by the City:

- **Actions taken relative to the rating on the bonds:**

- (1) – On February 23, 2018, Standard & Poor's increased its rating from "AA-" to "AA" after applying its revised methodology for non-ad valorem Issue Credit Ratings Linked to U.S. Public Finance Obligators' Creditworthiness criteria, published January 22, 2018.

THE BELOW DISCLOSURE INFORMATION HAS PREVIOUSLY BEEN PROVIDED

- **Actions taken relative to National Public Finance Guarantee Corp's (NPFGC) rating:**

- (1) – On February 18, 2009, MBIA transferred its public finance insurance line of business to National Public Finance Guarantee Corp. (NPFGC).
- (2) – On February 18, 2009, Standard and Poor's decreased its rating from "AA" to "AA-"
- (3) – On June 5, 2009, Standard and Poor's decreased its rating from "AA-" to "A"
- (4) – On December 22, 2010, Standard and Poor's decreased its rating from "A" to "BBB"
- (5) – On December 19, 2011, Moody's decreased its rating from "Baa1" to "Baa2"
- (6) - On February 28, 2013, Standard & Poor's decreased its rating from "BBB" to "BB"
- (7) – On May 8, 2013, Standard & Poor's increased its rating from "BB" to "BBB"
- (8) - On May 10, 2013, Standard & Poor's increased its rating from "BBB" to "A"
- (9) – On May 21, 2013 Moody's increased its rating from "Baa2" to "Baa1"
- (10) - On March 18, 2014, Standard & Poor's increased its rating from "A" to "AA-"
- (11) – On May 21, 2014, Moody's increased its rating from "Baa1" to "A3"
- (12) – On June 26, 2017, Standard & Poor decreased its rating from "AA-" to "A"
- (13) – On December 1, 2017, Standard & Poor affirmed its "A" rating on NPFGC and then withdrew its rating at the company's request.
- (14) – On January 17, 2018 Moody's decreased its rating from "A3" to "Baa2".

NPFGC has reinsured the insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.

- **Substitution of Credit provider:**

- (1) – On February 18, 2009, the insurer MBIA was reinsured by National Public Finance Guarantee Corporation (NPFGC)

- **Actions taken relative to MBIA Insurance Corp's (MBIA) rating:**

- (1) – On April 4, 2008, Fitch Ratings decreased its rating from “AAA” to “AA”
- (2) – On June 4, 2008, Standard and Poor's decreased its rating from “AAA” to “AA”
- (3) – On June 19, 2008, Moody's decreased its rating from “Aaa” to A2
- (4) – On June 26, 2008, Fitch withdrew its rating of MBIA.
- (5) – On November 5, 2008, Moody's decreased its rating from “A2” to “Baa1”

MBIA provided an insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.

- **Actions taken relative to the rating on the bonds:**

- (1) – In accordance with its March 25, 2010, report “Recalibration of U.S. Public Finance Ratings”, Fitch has recalibrated its rating on the bonds from “AA-” to “AA”
- (2) – On April 29, 2011, Fitch has revised its rating on the bonds from “AA” to “AA-”
- (3) – On May 4, 2017, Standard & Poor's increased its long term and SPUR ratings on the bonds from “A+” to “AA-”